



State of Wisconsin • DEPARTMENT OF REVENUE

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Scott Walker
Governor

Richard G. Chandler
Secretary of Revenue

TO: Richard G. Chandler, Secretary

FROM: Paul Ziegler, Sales and Property Tax Policy Team Leader

RE: Property tax calculations

DATE: April 16, 2012

The Division of Research and Policy has calculated that there was a 0.4% overall statewide decline in property taxes for the median value home for the December 2011 tax bills.

As shown below, this is the first decrease in the tax bill for the median value home to occur since the December 1999 tax bills. The tax bill for the median value home assumes that the home pays the statewide average tax rate for each taxing jurisdiction.

Since new construction (net of improvements removed) added an extra \$3.6 billion (0.7%) of property value to the tax base upon which property taxes are collected, the portion of the total property tax to be paid by an existing home owner dropped on average statewide. New construction allows the tax burden to be dispersed more broadly, and the overall net property tax increase of 0.2% becomes a decrease of 0.4% for the median value home as highlighted below.

Property Taxes -- State Total Net Taxes and Typical Home

	State Total NET Property Taxes		Median Value Home		Percent Increase over prior year
	NET property taxes after levy, 1st dollar, & lottery credits: \$millions	Percent Increase in NET taxes over prior year	Value of Median Home	Property taxes net of levy, 1st dollar, & lottery credits	
December 1997	4,961	1.1%	97,200	2,075	-0.7%
December 1998	5,363	8.1%	101,100	2,181	5.1%
December 1999	5,505	2.7%	106,200	2,110	-3.3%
December 2000	6,045	9.8%	112,200	2,332	10.5%
December 2001	6,470	7.0%	119,400	2,429	4.2%
December 2002	6,788	4.9%	126,500	2,518	3.7%
December 2003	7,100	4.6%	133,800	2,587	2.7%
December 2004	7,548	6.3%	142,800	2,705	4.6%
December 2005	7,738	2.5%	153,500	2,729	0.9%
December 2006	7,969	3.0%	164,100	2,733	0.2%
December 2007	8,448	6.0%	170,300	2,838	3.8%
December 2008	8,729	3.3%	171,800	2,856	0.7%
December 2009	9,103	4.3%	167,900	2,918	2.1%
December 2010	9,336	2.6%	161,300	2,962	1.5%
December 2011	9,357	0.2%	157,600	2,951	-0.4%

Homeowners benefited slightly more from the lottery credit this year. In 2010, the lottery credit was applied to the first \$8,700 of home value. In 2011, the lottery credit was applied to the first \$9,000 of home value. Thus, the average credit increased slightly from about \$85 to \$89. The amounts for the Levy credit and the First Dollar Credit remained unchanged from prior year (at \$747.4 million and \$150.0 million, respectively).